

OPENING REMARKS OF THE HONORABLE RUBEN HINOJOSA
COMMITTEE ON FINANCIAL SERVICES
SUBCOMMITTEE ON HOUSING
“RURAL HOUSING PROGRAMS: REVIEW FISCAL YEAR 2008 BUDGET
AND PENDING RURAL HOUSING LEGISLATION”
MAY 8, 2007

Chairwoman Waters, I want to express my sincere appreciation for you holding this important and timely hearing on rural housing. I look forward to working with you and Ranking Member Biggert on rural housing issues today and throughout the 110th Congress.

Those of us who live in rural areas have long known that rural residents face significant challenges to finding available, affordable, and quality housing. But, the extent of the problem is surprising. According to the Economic Research Service, 4 million rural families live in housing poverty. 1.7 million of the 25 million rural housing units in the United States are considered substandard, and 17% of minority renters in rural areas live in substandard units.

These figures are compounded by the Administration's budget proposal for Fiscal Year 2008 , which zeroes out several critical rural housing entities and programs. The budget eliminates the Section 515 Rural Rental Housing Program, which benefits very low-income and elderly residents in many of our rural communities; and the Section 502 Direct Homeownership Loan program, which is the only federal program targeting mortgage lending opportunities to low- and very low-income rural households. The budget also makes sharp reductions in self-help housing and farm worker housing

In addition, the Administration's budget also zero-funds many other critical rural housing entities and programs, including the Housing Assistance Council (HAC) and the Rural Housing and Economic Development program (RHED), both which are funded through HUD. Furthermore, the budget reduces funding for the construction or preservation of affordable housing in rural communities.

To address the affordability, availability and quality of rural housing, I co-founded and currently Chair the Congressional Rural Housing Caucus. It continues to grow in number. Recently, the Caucus collaborated with the National Rural Housing Coalition on a breakfast briefing. We are collaborating with the Council on Affordable Rural Housing on a June 11th briefing. I look forward to coordinating with other groups on similar events.

To counter all the Administration's proposals that would harm rural America, several other Members of Congress joined me in sending a letter to the Appropriations Committee requesting the following funding levels for Fiscal Year 2008:

\$1.25 billion for Section 502 direct homeownership loans;
\$100 million for Section 515 rental housing loans;
\$60 million for Section 523 self-help housing; and

\$50 million each for Sections 514 and 516 farm labor housing.

I want to thank you, Chairwoman Waters, for co-signing the letter and for helping to improve housing in rural America. I ask unanimous consent that the letter be entered into today's hearing record.

To further improve the rural housing situation, I have introduced H.R. 1980, the "Housing Assistance Council Authorization Act of 2007" and H.R. 1982, the "Rural Housing and Economic Development Improvement Act of 2007." These bills will help improve rural areas by providing them the resources they need to address the problems of substandard housing. By authorizing this much needed funding, more American families will be able to access decent housing that will improve their overall quality of life.

Specifically, H.R. 1980, the "Housing Assistance Council Authorization Act of 2007" authorizes \$10 million for HAC in Fiscal Year 2008 and \$15 million in Fiscal Years from 2009 to 2014. These funds will go towards providing technical assistance, training, and support to better develop the capacities of rural community-based housing development organizations. It will supply loans, grants, or other financial assistance to these organizations so that they can widen affordable housing options for low- and moderate-income families. The funding will also allow HAC to continue to offer financial and other aid to its national network of rural nonprofit builders. HAC is the only housing capacity building organization that is exclusively rural.

I want to take this opportunity to thank you, Chairwoman Waters for cosponsoring the legislation authorizing HAC. I ask unanimous consent to submit for the record a letter from over 266 groups in support of funding HAC.

H.R. 1982, the "Rural Housing and Economic Development Improvement Act of 2007" authorizes \$30 million for the RHED program in Fiscal Year 2008 and \$40 million for Fiscal Years 2009 through 2013. This bill will help the RHED program provide additional funding to state and local entities so that they can better support innovative housing and economic development activities in rural areas, including the many colonias located in my district.

I am pleased to submit for the hearing record a statement by the National Association of Realtors in support of H.R. 1982 in particular, and federal housing programs in general.

It is my hope that we can not only prevent additional cuts in funding for the Housing Assistance Council and the RHED program, but that we can also increase the funding for these programs that directly impact the lives of so many people living in rural communities.

Chairwoman Waters, rural America truly is the heartland of this great country. It is up to all of us here in Congress to ensure its continued vitality. By holding today's hearing, I believe that you are guiding us in the right direction.

I yield back the remainder of my time.